

URGING HOUSE REPUBLICAN LEADERSHIP TO DROP CONTROVERSIAL PROVISIONS IN PROPOSED HEALTH INSURANCE REFORM MEASURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, as health insurance reform goes to conference between the House and the Senate, I want to stress again tonight in the 5 minutes that I have that the Republican leadership needs to drop controversial provisions that I think are likely to scuttle this very important health insurance reform. Of course, the most important aspect of this, the most controversial provision, the one that I think really needs to be dropped, is what we call medical savings accounts; the tax breaks, if you will, for the wealthy and the healthy.

Mr. Speaker, last week the Senate passed the Kennedy-Kassebaum health insurance reform bill unanimously, 100 to zero. But the Senate bill, unlike the House bill, does not include these divisive provisions that doom the chances of this very important health insurance reform from becoming law.

The so-called medical savings accounts are essentially tax-free savings accounts from which participants could pay for everything but catastrophic health care costs. The problem with these accounts is that they would be a good deal, again, only for the healthiest and wealthiest people in our health care system, those who do not have high health care costs on a regular basis.

But health insurance costs would then increase for the average American, because essentially when we talk about health insurance, it all involves a health insurance risk pool which has all kinds of people in it. If we take out all the healthiest and the wealthiest people, we are essentially leaving in the pool the people that are the highest risk, that need the most attention or health care, so we destroy the whole basis for the health insurance pool and drive up the costs, essentially, for those who are left after those have been taken out of the pool.

Mr. Speaker, some people have asked me, why is this happening? Why is Speaker GINGRICH, why is the Republican Presidential candidate, talking and so insistent about including the medical savings accounts? Basically, it is a financial windfall for the Golden Rule Insurance Co., whose top executive has given Republican political committees over \$1 million in contributions in the last 4 years.

What I am saying, Mr. Speaker, is let us forget about the political contributions. Let us forget about Golden Rule Insurance Co. Let us do what is right for the average American.

Mr. Speaker, again, I wanted to point out that medical savings accounts are designed to accompany the purchase of very high-deductible catastrophic in-

surance policies. They offer a myriad of tax breaks for those who can afford to save up money to pay the vastly increased out-of-pocket costs caused by an out-of-reach deductible.

I think that three questions have to be asked. Every American basically should ask the Republican leadership or every Republican lawmaker three questions with regard to these medical savings accounts: First of all, who wins if they are incorporated in this insurance reform; who loses; and why the Republican leadership insists on continuing to push for the medical savings accounts.

Who wins? The answer is simple. The wealthy win. They are the only ones who can afford to contribute thousands of dollars to a savings account. In fact, less than 1 percent of all people who might use medical savings accounts earn less than \$30,000 a year, even though these families account for nearly half of all American taxpayers.

Who loses? Everyone else who relies on standard insurance. In fact, if medical savings accounts are available, some businesses could make it impossible for many families to even afford adequate health insurance.

□ 2000

The cost for premiums of regular health insurance could increase by more than 60 percent. Our goal at all times should be to try to increase the amount of Americans that have health insurance and to try to make health insurance more affordable.

We will do exactly the opposite with these medical savings accounts. We are creating tax breaks for the wealthiest and the healthiest among us and we are making costs less affordable, and we are probably making it so that fewer people in the long run would have health insurance. It makes no sense.

The only thing I can say is that I have to hope that over the next few weeks, it was mentioned earlier this evening by the gentleman from Texas [Mr. DELAY] that we may go to conference on the Kennedy-Kassebaum bill later next week. The conference has been held up essentially because there has been an effort to appoint a lot of conferees on the part of the Republican leadership who would favor these tax breaks for the wealthiest and the healthiest among us.

What I hope is that that position will change over the next week, that we can appoint conferees, and that this conference will quickly accede to the Senate version of the bill which does not include these tax breaks for the wealthiest and healthiest among us. What we need is a clean Kennedy-Kassebaum bill. Why? Because it will provide for portability and it will provide coverage for those with preexisting conditions.

The whole point of this health care reform this year, and it was stated by President Clinton in his State of the Union address, is that we must get to those people who change a job, who

lose their insurance because they change jobs or become self-employed, and we must get health insurance for those people who have preexisting medical conditions. Let us deal with those problems now. Let us forget these other controversial provisions.

The SPEAKER pro tempore (Mr. MICA). Under a previous order of the House, the gentleman from Pennsylvania [Mr. ENGLISH] is recognized for 5 minutes.

[Mr. ENGLISH of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

WE NEED TO RAISE THE MINIMUM WAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Ms. MCKINNEY] is recognized for 5 minutes.

Ms. MCKINNEY. Mr. Speaker, I have tried to compile the reasons why the Republican majority will not allow us to vote on a minimum wage increase, and the first reason I came up with was, of course, stated by Majority Whip DELAY, who says that minimum wage families do not really exist. He says, "Emotional appeals about working families trying to get by on \$4.25 an hour are hard to resist. Fortunately such families do not really exist."

An honorary member of the Republican freshman class, Rush Limbaugh, says on the official poverty line, "14,400 for a family of 4? That's not so bad."

Now he said that in November 1993. Earlier he said, "I know families that make \$180,000 a year and they don't consider themselves rich. Why, it costs them \$20,000 a year to send their kids to school."

Unfortunately, the House majority leader, DICK ARMEY, has said that he will resist a minimum wage increase with every fiber in his being. He says that the minimum wage is a very destructive thing.

Limbaugh goes on to say, "All of these rich guys like the Kennedy family and Perot, pretending to live just like we do and pretending to understand our trials and tribulations and pretending to represent us, and they get away with this."

Well, in 1993 while Limbaugh was equating himself with the average American family, Limbaugh's 1993 income was estimated to be \$15 million. That is from Forbes, April 1994.

One of the freshmen who also does not know about middle-class living, real middle-class living, says, "300,000 to \$750,000 a year, that's middle class."

I think that is out of touch. And anyone who makes above \$750,000 a year, he says, "that's upper middle class." Now, this is a real person who is representing all of the American folks in this Congress.

But what about the people who really are working hard and making minimum wage and need a little bit of representation down here on the floor of

this House? Who is it that our Republican majority is representing, and who is it that people who are fighting for a minimum wage increase are representing?

This is a cartoon from the National Journal. How long does it take to make \$8,840? Full-time minimum wage worker, it takes this poor woman one year, because most of them are women. And the average CEO of a large U.S. corporation? Half a day.

So we do need to raise the minimum wage.

Finally, I keep coming back to this poster, because it so accurately describes what is going on in Washington today with this new Republican majority. It says, "The 104th Congress may be the worst in 50 years."

And while we cannot get an increase, a vote on increasing the minimum wage, we learned that the GOP has decided that they want their committee Chairs to look into abuses of the Clinton administration and of labor organizations. This very well could go down in history as the worst Congress in 50 years.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### URGING BIPARTISAN SUPPORT FOR MINIMUM WAGE INCREASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, I rise again to urge bipartisan support for the minimum wage increase and there is great precedent for such an effort. The last time the minimum wage was raised—in 1989—135 Republicans in the House voted for it, including Mr. GINGRICH, 36 Republicans in the Senate voted for it, including Mr. DOLE, and President Bush signed the bill into law.

Since that increase, according to the Center on Budget Priorities, "Inflation has eroded nearly all effects of this increase and the annual value of the minimum wage has returned to its 1989 level."

In other words, if we want our workers to have the same earning power in 1996 that they had in 1989, a modest, two-step increase in the minimum wage is required.

But, the bipartisan spirit from 1989 appears to be missing in 1996, at least among Republican leaders.

One Republican leader wants to abolish the minimum wage, another is quoted as saying that minimum wage families "do not exist," and a third has vowed to "commit suicide" before voting for the minimum wage increase.

Mr. Speaker, the American worker has not changed in 7 years—they still need a fair wage.

What has happened to the Republican Party?

Between 1979 and 1992 the number of working poor in America increased by 44 percent.

Again, Mr. Speaker, I would not promote a policy to help the working poor if it was shown that such a policy would substantially hurt small businesses.

According to the best evidence I have seen, a modest increase in the minimum wage will help the working poor, without hurting small businesses.

A recent survey of employment practices in North Carolina after the 1991 minimum wage increase, found that there was no significant drop in employment and no measurable increase in food prices.

The survey also found that workers' wages actually increased by more than the required change.

In another study, the State of New Jersey raised its minimum wage to \$5.05 while Pennsylvania kept its minimum wage at \$4.25.

The researchers found that the number of low wage workers in New Jersey actually increased with an increase in the wage, while those in Pennsylvania remained the same.

In 1991, the increase enjoyed bipartisan support, with President George Bush signing the bill.

Since 1991, the minimum wage has remained constant, while the cost of living has risen 11 percent.

If the Republican leadership in the House would allow a vote, I believe we would pass the minimum wage increase—with a bipartisan vote.

It is the right thing to do; it is the fair thing to do.

I care about small businesses, and it will not hurt small businesses.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

[Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BENTSEN] is recognized for 5 minutes.

[Mr. BENTSEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### WHAT BUSINESS SAYS ABOUT MINIMUM WAGE INCREASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. DICKEY] is recognized for 5 minutes.

Mr. DICKEY. Mr. Speaker, I would like to talk in opposition to the minimum wage increase from the standpoint of what business would have to say about this. I do not know if that has been brought into this discussion.

Mr. Speaker, I am an employer, I am a restaurant owner, I own two different restaurants in Pine Bluff, AR, as well as being a politician. This is 100 percent politics that we are talking about here and not any of economy or not any from consideration of the people who are involved.

I first want to say that the people who pay the price of the minimum wage are the consumers. They do it in one of two ways. They either pay a higher price or they pay with less service when they go to purchase things and they go into the marketplace.

What people do not understand and what may need to be clarified in this discussion is what goes into the higher price. If you are in the restaurant business, you think, well, the labor that you have to pay is all that you would experience.

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There is the tax, the additional tax, the payroll tax that comes from the additional pay. But there is also another factor, and it kind of compounds, and that is that the lettuce that is bought from the store or brought in is going to be at a higher cost because of the minimum wage. The meat, the condiments, all of the things that go into making the product are going to be higher.

So the restaurant owner or the business owner is sitting, looking, and thinking, what is the consumer able to stand? The first reaction is that we need to cut the number of employees because we have got price as a barrier in so many instances. When that is the case, then they usually cut the most inexperienced employee, leaving the other employees more stressed and less able to handle the press of business.

If that does not work and then you start adding back the employees, then you are faced with facing the consumer with a higher cost of the item. Now, when that happens, the consumer then has to deal with one or both of these issues, higher price or less service, and they then make choices that most of the time will bring about less sales.

When you have less sales and you confirm that in an operation, and you do that on a month-to-month basis, you then start cutting employees because the sales are down. Now, that is what can happen, it probably will happen in this particular case, and it is not necessary.

From the employee's standpoint, there is another viewpoint that needs to be looked at. The employees who are there know that when they come in to work at a minimum wage, that they are coming at a training wage, and that this is something where they probably are more of a liability to a business or an industry than they are an asset at the early stages. So they work up.

When they work up and they try to progress in this area, they have to do it in relationship to other employees. So if you have an employee who is given a raise, that employee is compared to